From:	ehud barak <ehbarak1@gmail.com>
To:	Yaron Eitan <yeitan@selwaycapital.com>
CC:	
Date:	Mon, 12/9/2013 12:24:31 PM
Subject:	Re: iBank

Yaron
Who is the CEO?
I'm worried Viktor should expect quite deep background review and scrutiny. That's a Bank after all.
I think you have to check it here and draw Andy's and Viktor attention to it , if that's the case. Best
EB

Sent from my iPhone

On Dec 9, 2013, at 4:32, Yaron Eitan <yeitan@selwaycapital.com> wrote:

> Ehud,
> Below is an update I shared with the group,
> All the best,
>
> Yaron Eitan

Gentlemen,

Here is a quick update on iBank following my recent trip to Tel Aviv and based on the continuing DD work that the team is doing:

- I met Mr. Moshe Kachlon who is the former Minister of Communication that lead the deregulation of the cellular market. He is a very popular Israeli politician who is not in office now. He is predicted to be a possible future leader of a major party. He said that the banking industry have to change. He will support publicly the iBank efforts and will use his political influence to see the they will have a smooth launch. This is very important since the guy is very influential. I spoke to EB about him and he shared my view.
- The team received the approval of The bank Of Israel (BOI) to launch the bank without a control group and with only three or four founders (we are the 4th one). The approval allows each founder to own 10% in the first three years, then the ownership should drop to 5% or a new waiver should be obtained
- The company will raise initially $20 million; $8 million from the four founders and $12 million from the public on the Tel Aviv stock exchange. An approval in principle from the Israeli SEC and from the TSE was already obtained.
- The development efforts will take 12 to 18 months and will cost up to $20 million. $8 million will be the cost of an off the shelf banking platform and an additional $10 million for the development of the unique IT banking applications and features
- The company believes that this platform, when ready, will be very attractive in a number of countries starting with Brazil and Mexico. The founder's initial backer when he was the Chairman of the FIBI Bank was the Safra family.
- Pre-launch the company will raise an additional $80 million; $12 million from the four founders and the balance from the public or from other large institutions like City Bank (as per MM suggestion)
- The company is finalizing a revised business plan as per the request of the BOI, this will be done shortly.
- We are being asked to present what they call "Fit & Proper" material identifying the source for our capital. I was promised

that this is a limited disclosure process and should not be an issue for our LP, let's see!!

- A CEO candidate was identified, I have heard about the guy and he is known to be an excellent executive.
- This is a $15 million deal that will look like this: $2 million will be invested upfront, $8 million will be invested after 12 or 18 months (we will not have to) on the eve of the formal launch of the bank, $5 million will be invested in their first out of Israel project (our option).

In summary, this is very exciting, if we can pull it off. I am planning to present some background information in a PP format soon and bring it to the investment committee at some point in January.
Thanks,

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